

JACK HIRSCH, et al.

Plaintiff,

v.

PSS WORLD MEDICAL, INC., et al.

Defendants.

No. 3:98-cv-502-J-32TEM

Judge Corrigan

NOTICE OF PROPOSED SETTLEMENT OF CLASS ACTION AND SETTLEMENT FAIRNESS HEARING

TO: ALL PERSONS WHO, AS OF MARCH 26, 1998, WERE SHAREHOLDERS OF **PHYSICIAN SALES & SERVICE, INC. (NASDAQ: PSSI, NOW KNOWN AS PSS WORLD MEDICAL, INC. ("PSS"))**.

PLEASE READ THIS NOTICE CAREFULLY AND IN ITS ENTIRETY. YOUR RIGHTS MAY BE AFFECTED BY PROCEEDINGS IN THIS CLASS ACTION LITIGATION (THE "LITIGATION"). PLEASE NOTE THAT IF YOU ARE A CLASS MEMBER, YOU MAY BE ENTITLED TO SHARE IN THE PROCEEDS OF THE SETTLEMENT DESCRIBED IN THIS NOTICE. TO CLAIM YOUR SHARE OF THIS FUND, YOU MUST SUBMIT A VALID PROOF OF CLAIM POSTMARKED ON OR BEFORE FEBRUARY 9, 2006.

This Notice has been sent to you pursuant to Rule 23 of the Federal Rules of Civil Procedure and an Order of the United States District Court for the Middle District of Florida (the "Court"). The purpose of this Notice is to inform you of the proposed settlement of the Litigation and of the hearing to be held by the Court to consider the fairness, reasonableness, and adequacy of the settlement. This Notice is not intended to be, and should not be construed as, an expression of any opinion by the Court with respect to the truth of the allegations in the Litigation or the merits of the claims or defenses asserted. This Notice describes the rights you may have in connection with the settlement and what steps you may take in relation to the settlement and the Litigation.

The aggregate amount proposed to be distributed to the Class is \$16,500,000 in cash (the "Settlement Fund"), less any amount awarded by the Court for attorneys' fees, costs, and expenses and will include interest that accrues on the Settlement Fund prior to distribution. Based upon the number of PSS shares held by Class Members on March 26, 1998, Plaintiff's Lead Counsel estimate that the average per share recovery is approximately \$0.51 per share, less each Class Member's share of the Court approved fees and expenses, and which may be higher than \$0.51 per share, depending on the number of Class Members who elect to participate in the settlement and the number of Class Members who sold their shares prior to May 11, 1998. (Class Members who sold their shares before May 11, 1998 will not receive anything pursuant to the settlement because it was not until Monday, May 11, 1998 that PSS stock experienced a price drop following certain public disclosures regarding PSS' finances, which were made by PSS after the close of trading on Friday, May 8, 1998.)

Plaintiff and Defendants do not agree on the average amount of damages per share that would be recoverable if the Plaintiff were to have prevailed on each claim alleged. The issues on which the parties disagree include: whether representations by Defendants were false or misleading; whether any misrepresentations by the Defendants resulted in damages to the Class; and the appropriate measure of any such damages.

Plaintiff believes that the proposed settlement is an excellent recovery and is in the best interests of the Class. Because of the risks associated with continuing to litigate and proceeding to trial, there was a danger that Plaintiff would not have prevailed on any of its claims, in which case the Class would receive nothing. Liability and the amount of damages recoverable by the Class was and is challenged by Defendants. Recoverable damages in this case are limited to losses caused by conduct actionable under applicable law and, had the Litigation gone to trial, Defendants would have asserted that all or most of the losses of Class Members were caused by non-actionable market, industry or general economic factors.

Plaintiff's Counsel have not received any payment for their services in conducting this Litigation on behalf of the Plaintiff and the Class, nor have they been reimbursed for their substantial costs and expenses. If the settlement is approved by the Court, Plaintiff's Counsel will apply to the Court for an award of attorneys' fees equal to 33-1/3% of the Settlement Fund, and reimbursement of costs and expenses, including costs of experts and consultants, not to exceed \$1.3 million to be paid from the Settlement Fund, plus interest. If the amount requested by Plaintiff's Lead Counsel is approved by the Court, the average cost per share will be approximately \$0.21 per share.

For further information regarding this settlement, you may contact Plaintiff's Lead Counsel: Abbey Gardy, LLP, attention: James S. Notis, 212 East 39th Street, New York, New York 10016, Telephone: 212-889-3700 or Schatz & Nobel, P.C., attention: Andrew M. Schatz, One Corporate Square Center, 20 Church Street, Suite 1700, Hartford, Connecticut 06103, Telephone: 860-493-6292.

I. NOTICE OF HEARING ON PROPOSED SETTLEMENT

Pursuant to Rule 23 of the Federal Rules of Civil Procedure and an October 12, 2005 Order of the United States District Court for the Middle District of Florida, a settlement hearing will be held on December 20, 2005 at 10:00 a.m., before the Honorable Timothy J. Corrigan, United States District Judge, 300 North Hogan Street, Courtroom 10B, at the United States Courthouse, Middle District of Florida, Jacksonville, Florida 32202 (the "Settlement Hearing"). The purpose of the Settlement Hearing will be to determine: (1) whether the settlement consisting of \$16,500,000 in cash should be approved as fair, reasonable and adequate; (2) whether the proposed plan to distribute the settlement proceeds (the "Plan of Allocation") is fair, reasonable, and adequate; (3) whether the application by Plaintiff's Counsel for an award of attorneys' fees and reimbursement of costs and expenses, and reimbursement of reasonable costs and expenses, including lost wages, incurred by Trust Advisors, LLC (Plaintiff's General Member) relating to the Plaintiff's representation of the Class (the "Fee and Expense Application") should be approved; (4) whether the Litigation should be dismissed with prejudice; and (5) to consider and rule upon such other matters as the Court may deem appropriate. The Court may adjourn or continue the Settlement Hearing without further notice to the Settlement Class.

II. DEFINITIONS USED IN THIS NOTICE

1. "Class" means all persons who were shareholders of Physician Sales & Service, Inc., now known as PSS World Medical, Inc. ("PSS"), as of March 26, 1998, the date of the PSS shareholder vote to approve the merger with Gulf South Medical Supply, Inc. ("Gulf South"), excluding the following: Defendants; the officers and directors of PSS; the officers and directors of Gulf South at the time of the merger; any firm, trust, corporation or other entity in which any Defendant has a controlling interest; and the legal representatives, agents, immediate family members, affiliates, subsidiaries, heirs, successors-in-interest, and assigns of any excluded person or entity, and also excluding any Person who has validly and timely requested exclusion from the Class.

2. "Defendants" mean PSS, Gulf South, Patrick C. Kelly, David A. Smith, Thomas G. Hixon and John L. Vaughan, Jr.

3. "Gulf South" means Gulf South Medical Supply, Inc.

4. "Person" means an individual, corporation, partnership, limited partnership, association, joint stock company, estate, legal representative, trust, unincorporated association, government or any political subdivision or agency thereof, and any business or legal entity and their spouses, heirs, predecessors, successors, representatives, or assignees.

5. "PSS" means PSS World Medical, Inc., formerly known as Physician Sales & Service, Inc.

6. "Related Parties" means each of the Defendants' respective past or present directors, officers, employees, partners, insurers, co-insurers, reinsurers, controlling shareholders, attorneys, agents, accountants or auditors, personal or legal representatives, predecessors, successors, parents, subsidiaries, divisions, joint ventures, assigns, spouses, heirs, related or affiliated entities, any entity in which any of the Defendants have a controlling interest, and any members of any of the Defendants' immediate family.

7. "Released Claims" shall collectively mean any and all claims (including "Unknown Claims" as defined in paragraph 10 hereof), demands, losses, charges, complaints, liabilities, obligations, damages, suits, expenses rights, liabilities and causes of action of every nature and description whatsoever, whether known or unknown, whether concealed or hidden, whether in law or equity, whether asserted or that might have been asserted, including, without limitation, claims for negligence, gross negligence, breach of duty of care and/or breach of duty of loyalty, fraud, breach of fiduciary duty, or violations of any state or federal statutes, rules or regulations, by Plaintiff or any Class Member against Defendants and/or their Related Parties arising out of the facts, transactions, events, occurrences, acts, disclosures, statements, omissions or failures to act which were or could have been alleged in the Litigation.

8. "Released Persons" means each and all of the Defendants and their Related Parties.

9. "Settlement Fund" means the principal amount of Sixteen Million Five Hundred Thousand Dollars (\$16,500,000) in cash, plus all interest earned thereon.

10. "Unknown Claims" means any Released Claims which any Plaintiff or any Class Member does not know or suspect to exist in his, her or its favor at the time of the release of the Released Persons which, if known by him, her or it, might have affected his, her or its settlement with and release of the Released Persons, or might have affected his, her or its decision not to object to this settlement. With respect to any and all Released Claims, the Parties stipulate and agree that, upon the Effective Date, Plaintiffs shall expressly and each of the Class Members shall be deemed to have, and by operation of the Judgment shall have, expressly waived the provisions, rights and benefits of California Civil Code §1542, which provides:

A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor.

Plaintiff shall expressly and each of the Class Members shall be deemed to have, and by operation of the Judgment shall have, expressly waived any and all provisions, rights and benefits conferred by any law of any state or territory of the United States, or principle of common law, which is similar, comparable or equivalent to California Civil Code §1542. Plaintiff and each of the Class Members may hereafter discover facts in addition to or different from those which he, she or it now knows or believes to be true, with respect to the subject matter of the Released Claims, but Plaintiff shall expressly and each Class Member, upon the Effective Date, shall be deemed to have, and by operation of the Judgment shall have, fully, finally, and forever settled and released any and all Released Claims, known or unknown, suspected or unsuspected, contingent or non-contingent, whether or not concealed or hidden, which now exist, or heretofore have existed, upon any theory of law or equity now existing or coming into existence in the future, including, but not limited to, conduct which is negligent, intentional, with or without malice, or a breach of any duty, law or rule, without regard to the subsequent discovery or existence of such different or additional facts. Plaintiff acknowledges, and the Class Members shall be deemed by operation of the Judgment to have acknowledged, that the foregoing waiver was separately bargained for and a key element of the settlement of which this release is a part.

III. THE LITIGATION

The Litigation was initiated on May 26, 1998, with the filing of a putative class action complaint in the United States District Court, Middle District of Florida, Jacksonville Division, on behalf of all persons who purchased or otherwise acquired the securities of PSS between December 27, 1997 and May 8, 1998.

On October 9, 1998, the Court appointed certain individual and institutional investors, including Trust Advisors Trading LLC (now known as Trust Advisors Equity Plus, LLC ("TAEP")), as lead plaintiffs ("Plaintiffs") pursuant to Section 21D(a)(3)(B) of the Securities Exchange Act of 1934 (the "Exchange Act"), as amended by the Private Securities Litigation Reform Act of 1995 (the "PSLRA"), 15 U.S.C. §78u-4(a)(3)(B), and approved lead plaintiffs' selection of Abbey Gardy, LLP (then known as Abbey Gardy & Squitieri, LLP), and Schatz & Nabel, P.C. as Plaintiff's Lead Counsel.

On December 11, 1998, the Amended Class Action Complaint was filed against Defendants and Frederick Eugene Dell ("Dell") (a PSS officer and director), alleging violations of Section 10(b) and 20(a) of the Exchange Act, 15 U.S.C. §§78j(b) and 78t, and Rule 10b-5 promulgated thereunder by the SEC, 17 C.F.R. §240.10b-5. On January 25, 1999, in two separate motions, Defendants and Dell moved to dismiss the Amended Class Action Complaint. On March 10, 1999, Plaintiffs filed a memorandum of law in opposition to Defendants and Dell's motions to dismiss the Amended Class Action Complaint. On February 9, 2000, the Court granted Defendants and Dells' motions to dismiss, but permitted leave to file a further amended complaint.

On March 15, 2000, Plaintiffs filed a Second Amended Class Action Complaint, alleging that Defendants and Dell violated Sections 10(b) and 20(a) of the Exchange Act and Rule 10b-5 thereunder, as well as Section 14(a) of the Exchange Act, 15 U.S.C. §78n(a), and Rule 14a-9 promulgated thereunder by the SEC, 17 C.F.R. §240.14a-9 on behalf of all persons, other than Defendants and Dell who purchased or otherwise acquired the securities of PSS from December 23, 1997 through May 8, 1998, including a subclass of record or beneficial holders of PSS stock as of March 26, 1998 who asserted a claim in connection with the PSS shareholder vote in favor of the merger between PSS and Gulf South (the "Merger") by use of a Joint Proxy Statement/Prospectus (the "Proxy Statement") filed with the SEC on February 25, 1998 and first mailed to PSS shareholders on or about February 26, 1998. On May 1, 2000, and May 8, 2000, Defendants filed motions to dismiss the Second Amended Class Action Complaint. On June 28, 2000 and June 29, 2000, Plaintiffs filed oppositions to the motions to dismiss. The Defendants filed reply briefs in August and September of 2000. Following oral argument on November 15, 2002, the Court issued an Order on December 17, 2002, dismissing with prejudice Plaintiffs' claims under Section 10(b) and Rule 10b-5 and dismissing without prejudice Plaintiffs' claims under Section 14(a) and Rule 14a-9 and Section 20(a), thereby permitting Plaintiffs leave to file a further amended complaint with respect to claims under Section 14(a) and Rule 14a-9 and Section 20(a). In granting the dismissal of the Section 10(b) and Rule 10b-5 claims with prejudice, the Court denied Plaintiffs' request for leave to file a further amended complaint with respect to those claims.

On January 17, 2003, certain Plaintiffs, including TAEP, filed a Third Amended Class Action Complaint (the "Complaint"), which is the operative

complaint in the Litigation. Consistent with the Court's December 17, 2002 Order, the Complaint alleged that Defendants violated Section 14(a) of the Exchange Act and Rule 14a-9 and that the Individual Defendants violated Section 20(a) of the Exchange Act, in soliciting the PSS shareholder vote in favor of the Merger by use of the Proxy Statement. Unlike the previous complaints filed in the Litigation, the Complaint asserted claims only on behalf of PSS shareholders as of the close of trading on March 26, 1998. The Complaint did not assert any claims for purchases of PSS stock between March 27, 1998 and May 8, 1998 and did not assert any claims for purchases of PSS stock between December 27, 1997 and March 26, 1998 if those shares were not held as of the close of trading on March 26, 1998. On February 14, 2003, Defendants filed three separate motions to dismiss the Complaint. On March 14, 2003, TAEP and the other certain Plaintiffs filed one combined response to Defendants' motions to dismiss the Complaint. On May 21, 2003, the Court denied Defendants' motions to dismiss in all respects.

On June 17, 2003, Defendants filed answers to the Complaint, in which they generally denied any violations of the federal securities laws and asserted various affirmative defenses to the claims asserted in the Complaint.

On June 17, 2003, TAEP filed a motion for class certification seeking certification of the Litigation as a class action pursuant to Rules 23(a) and 23(b)(3) of the Federal Rules of Civil Procedure, on behalf of a class of all persons who were shareholders of PSS as of March 26, 1998, the date of the PSS shareholder vote approving the Merger. (The motion for class certification originally included TAEP and another Plaintiff. That other Plaintiff withdrew as a proposed class representative for lack of standing on August 25, 2003.)

Pursuant to the Section 21D(b)(3)(B) of the Exchange Act, as amended by the PSLRA, 15 U.S.C. §78u-4(b)(3)(B), discovery was stayed until the resolution of the motions to dismiss. Accordingly, following the Court's May 21, 2003 Order denying Defendants' motions to dismiss, TAEP commenced discovery and served discovery requests on Defendants and upon certain third parties. Specifically, in addition to the discovery requests upon Defendants, Plaintiff served third-party discovery requests on (1) all major analysts who followed PSS and Gulf South during the relevant time period, including Wachovia Corporation, Credit Suisse First Boston, Lehman Brother, Stephens Inc., Bear Stearns & Co. Inc., Deutsche Bank Securities Inc., Needham & Co., CIBC Oppenheimer and Nations Banc Montgomery Securities; (2) the investment banking firms that advised PSS and Gulf South in connection with the Merger including Deutsche Bank (PSS) and Banc of America Securities LLC (Gulf South); (3) PSS and Gulf South's independent auditors during the Class Period, Arthur Andersen LLP (PSS), Ernst & Young LLP (Gulf South) and KPMG Peat Marwick LLP (now known as KPMG LLP) (Gateway Healthcare Corporation, a subsidiary of Gulf South); (4) the information agent for the Proxy Statement, Georgeson Shareholder Communications Inc.; (5) PSS' external public relations firm, Ostrow & Partners, Inc.; (6) PSS' general counsel, Fred Elefant, P.A.; and (7) PSS' counsel in connection with the Merger, Alston & Bird LLP; and (8) Gulf South's counsel in connection with the Merger, Testa Hurwitz & Thibault, LLP. Defendants also engaged in discovery, including serving various discovery requests relating to the motion for class certification and a deposition of representative and managing director TAEP.

On October 15, 2003, Defendants filed their memorandum of law in opposition to the motion for class certification. Plaintiff filed a reply to Defendants' opposition on November 17, 2003, and the Court heard oral argument from the parties on January 27, 2004. On February 18, 2004 the Court granted Plaintiff's motion for class certification, appointed TAEP as class representative, and certified the Class.

On July 23, 2004 the Court approved the procedures to provide notice to members of the Class. Plaintiff's Counsel, in accordance with the Court's Order regarding class notice procedures, retained FRG Information Systems Corp. ("FRG") as the administrator to (a) mail the Notice of Pendency of Class Action ("Notice") to all persons who, as of March 26, 1998 were shareholders of PSS; and (b) publish the Summary Notice. On August 13, 2004, FRG mailed a total of 5,457 copies of the Notice to potential Class members. On August 20, 2004, FRG caused to be published a Summary Notice in the national edition of *The Wall Street Journal* and a press release for world-wide distribution through the Business Wire service.

Plaintiff's efforts to obtain discovery from Defendants and third parties continued throughout this time, and resulted in numerous disputes requiring resolution by the Court, including several motions to compel and motions for protective orders with respect to the production of documents and depositions. In sum, Defendants and third parties produced over 325 boxes of documents that were reviewed and analyzed by Plaintiff's Counsel, and Plaintiff's Counsel conducted sixteen depositions of fact witnesses in locations across the United States.

Expert discovery commenced on January 10, 2005, as Plaintiff submitted separate expert reports from a damages expert, a merger due diligence expert and an accounting expert. On February 10, 2005, Defendants submitted expert reports from an accounting/damages expert and a merger due diligence expert. On April 18, 2005, Defendants submitted rebuttal expert reports from a market efficiency/damages expert and a market efficiency expert. Plaintiffs' discovery efforts continued through expert discovery. In sum, Defendants and third parties produced over 12 boxes of expert-related documents that were reviewed and analyzed by Plaintiff's Counsel, and Plaintiff's Counsel conducted depositions of each of Defendants' four expert witnesses.

On May 11, 2005, Plaintiff and Defendants each moved for summary judgment and moved to exclude expert testimony. On June 13, 2005, Plaintiff and Defendants each filed their various memoranda of law in opposition to opposing summary judgment motions and motions to exclude. On June 30, 2005, Plaintiff and Defendants each filed their replies to the various oppositions.

The Court scheduled oral argument for September 14, 2005 to address the various motions for summary judgment and various motions to exclude expert testimony, and trial of the Litigation was set to commence on November 30, 2005. In the weeks following the summary judgment motions and motions to exclude, the parties at various times conducted settlement discussions, and on September 9, 2005, the parties agreed in principle to settle the Litigation on the terms set forth in the Stipulation.

IV. PLAINTIFF'S CLAIMS AND THE BENEFITS OF SETTLEMENT

Plaintiff believes that the claims asserted in the Litigation have merit and that the evidence developed to date supports the claims. Plaintiff and Plaintiff's Counsel, however, recognize and acknowledge the expense and length of continued proceedings necessary to prosecute the Litigation against Defendants through trial and likely appeals. Plaintiff and Plaintiff's Counsel have also taken into account the uncertain outcome and the risk of any lawsuit, especially in complex actions such as the Litigation, as well as the difficulties and delays inherent therein. Plaintiff and Plaintiff's Counsel are also mindful of the inherent problems of proof under the possible defenses to the securities law violations asserted in the Litigation. Plaintiff and Plaintiff's Counsel have determined that the settlement set forth in the Stipulation is in the best interests of Plaintiff and the Class.

V. DEFENDANTS' DENIALS OF WRONGDOING AND LIABILITY

Defendants have denied and continue to deny each and all of the claims and contentions alleged by Plaintiff in the Litigation. Defendants expressly have denied and continue to deny all charges of wrongdoing or liability against them arising out of any of the conduct, statements, acts or omissions alleged, or that could have been alleged, in the Litigation.

Nonetheless, Defendants have concluded that their defense of the Litigation would be protracted and expensive, and that it is desirable that the Litigation be fully and finally settled in the manner and upon the terms and conditions set forth in this Stipulation. Defendants also have taken into account the uncertainty and risks inherent in any lawsuit, especially in complex cases like the Litigation. Defendants have, therefore, determined that it is desirable and beneficial to them that the Litigation be settled in the manner and upon the terms and conditions set forth in this Stipulation.

VI. TERMS OF THE PROPOSED SETTLEMENT

Pursuant to the terms of the Stipulation of Settlement dated as of September 9, 2005 (the "Stipulation"), on or before ten (10) days after Preliminary Approval, Defendants shall cause the amount of \$100,000 in cash to be paid by wire transfer into an interest-bearing escrow account established and controlled by Plaintiff's Lead Counsel. Plaintiff's Lead Counsel is authorized to establish a "Notice and Administration Fund," and deposit up to \$100,000 from the Settlement Fund in it. The Notice and Administration Fund may be used by Plaintiff's Lead Counsel to pay costs and expenses reasonably and actually incurred in connection with providing notice to the Class Members, locating Class Members, soliciting claims, assisting with the filing of claims, administering and distributing the Settlement Fund to Authorized Claimants, processing Proof of Claim forms and paying escrow fees and costs, if any. On or before five (5) business days before the Settlement Hearing, Defendants shall cause the amount of \$16,400,000 in cash to be paid by wire transfer into an interest-bearing escrow account established and controlled by Plaintiff's Lead Counsel. Plaintiff's Lead Counsel may invest the Settlement Fund deposited in instruments of the United States Government or money market accounts and shall reinvest the proceeds of these instruments as they mature in similar instruments at their then-current market rates. In addition, as explained below, a portion of the Settlement Fund may be awarded by the Court to Plaintiff's Counsel as attorneys' fees and for reimbursement of out-of-pocket expenses. The balance of the Settlement Fund (the "Net Settlement Fund") will be distributed according to the Plan of Allocation described below to Class Members who submit valid and timely Proof of Claim forms.

VII. THE RIGHTS OF CLASS MEMBERS

If you are a Class Member, you may receive the benefit of, and you will be bound by the terms of, the proposed settlement described in this Notice, upon approval thereof by the Court.

If you are a Class Member, you have the following options:

1. You may file a Proof of Claim as described below. If you choose this option, you will remain a Class Member, you will share in the proceeds of the proposed settlement if your claim is timely and valid and if the proposed settlement is finally approved by the Court, and you will be bound by the Judgment and release described below.

2. If you do not wish to be included in the Class and you do not wish to participate in the proposed settlement described in this Notice, you

may request to be excluded. To do so, you must so state in a writing that is received no later than November 29, 2005. In order to be valid, each request for exclusion must: (a) set forth the name and address of the person requesting exclusion, (b) set forth the name(s) in which your shares of PSS were registered, (c) state that the person requesting exclusion "requests exclusion from the PSS World Medical class action" and (d) must be signed by the person requesting exclusion. NO REQUEST FOR EXCLUSION WILL BE CONSIDERED VALID UNLESS ALL OF THE INFORMATION DESCRIBED ABOVE IS INCLUDED IN ANY SUCH REQUEST. You are also requested to state the number of shares of PSS stock you held as of the close of trading on March 26, 1998. The exclusion request should be addressed as follows:

PSS World Medical, Inc. Securities Litigation Claims Administrator
c/o FRG Information Systems Corp.
P.O. Box 4059, Grand Central Station
New York, New York 10163

If you validly request exclusion from the Class, (a) you will be excluded from the Class, (b) you will not share in the proceeds of the settlement described herein, (c) you will not be bound by any judgment entered in the Litigation, and (d) you will not be precluded, by reason of your decision to request exclusion from the Class, from otherwise prosecuting an individual claim, if timely, against Defendants based on the matters complained of in the Litigation.

3. If you do not request, in writing, to be excluded from the Class as set forth in paragraph 2 above, you will be bound by any and all determinations or judgments in the Litigation in connection with the settlement entered into or approved by the Court, whether favorable or unfavorable to the Class, and you shall be deemed to have, and by operation of the Judgment shall have fully released all of the Released Claims against the Released Persons, whether or not you submit a valid Proof of Claim.

4. You may object to the settlement and/or the application of Plaintiff's Counsel for an award of attorneys' fees and reimbursement of costs and expenses in the manner set forth below. The filing of a Proof of Claim by a Class Member does not preclude a Class Member from objecting to the settlement. However, if your objection is rejected you will be bound by the settlement and the Judgment just as if you had not objected.

5. You may do nothing at all. If you choose this option, you will not share in the proceeds of the settlement, but you will be bound by any judgment entered by the Court, and you shall be deemed to have, and by operation of the Judgment shall have fully released all of the Released Claims against the Released Persons.

6. If you are a Class Member, you may, but are not required to, enter an appearance through counsel of your own choosing, at your own expense. If you do not do so, you will be represented by Plaintiff's Lead Counsel: Abbey Gardy, LLP, James S. Notis, 212 East 39th Street, New York, New York 10016, and Schatz & Nobel, P.C., Andrew M. Schatz, One Corporate Square Center, 20 Church Street, Suite 1700, Hartford, Connecticut 06103.

VIII. PLAN OF ALLOCATION

The Plan of Allocation provides that you will be eligible to participate in the distribution of the Settlement Fund only if you were a shareholder of PSS as of the close of trading on March 26, 1998 and did not sell those PSS shares prior to May 11, 1998. (On Monday, May 11, 1998, PSS stock experienced a price drop following certain public disclosures regarding PSS's finances, which were made by PSS after the close of trading on Friday, May 8, 1998.)

The Net Settlement Fund will be distributed to Class Members who were shareholders of PSS as of the close of trading on March 26, 1998 and did not sell those PSS shares prior to May 11, 1998, and who submit valid, timely Proof of Claim forms ("Authorized Claimants"). The number of an Authorized Claimant's "Recognized Shares" shall be the number of shares of PSS common stock held by the Authorized Claimant as of the close of trading on March 26, 1998 and not sold prior to May 11, 1998. In determining the number of Recognized Shares: (a) the date of a purchase or sale of PSS common stock is the trade date, and not the settlement date; (b) the last-in, first-out basis ("LIFO") will be applied to purchases and sales; (c) exercises of option contracts will be considered purchases or sales of common stock; (d) the date of covering a "short sale" is deemed to be the date of purchase of PSS common stock; and (e) the date of a "short sale" is deemed to be the date of sale of PSS common stock. The Court has reserved jurisdiction to allow, disallow or adjust the Recognized Shares of any Class Member on equitable grounds.

Each Authorized Claimant will receive an amount equal to the percentage of the Net Settlement Fund represented by the percentage by which that Authorized Claimant's number of Recognized Shares is to the total number of Recognized Shares.

Payment pursuant to the Plan of Allocation set forth above shall be conclusive against all Authorized Claimants. No Person shall have any claim against Plaintiff's Counsel or any claims administrator or Defendants or other agent designated by Plaintiff's Counsel or Defendants or Defendants' Counsel based on distributions made substantially in accordance with the Stipulation and the settlement contained therein, the Plan of Allocation, or further orders

of the Court. All Class Members who fail to complete and file a valid and timely Proof of Claim shall be barred from participating in distributions from the Settlement Fund (unless otherwise ordered by the Court), but otherwise shall be bound by all of the terms of the Stipulation, including the terms of any judgment entered and the releases given.

ALSTON & BIRD LLP
John A. Jordak, Jr.
1201 West Peachtree Street
Atlanta, Georgia 30309-3424

IX. PARTICIPATION IN THE SETTLEMENT

If you fall within the definition of the Class, you will be bound by any judgment entered with respect to the settlement in the Litigation, whether or not you file a Proof of Claim. If you choose, you may enter an appearance individually or through your own counsel at your own expense.

TO PARTICIPATE IN THE DISTRIBUTION OF THE NET SETTLEMENT FUND, YOU MUST TIMELY COMPLETE AND RETURN THE PROOF OF CLAIM FORM THAT ACCOMPANIES THIS NOTICE.

The Proof of Claim must be postmarked on or before February 9, 2006, and delivered to the Claims Administrator as follows:

PSS World Medical, Inc. Securities Litigation Claims Administrator
c/o FRG Information Systems Corp.
P.O. Box 4059, Grand Central Station
New York, New York 10163

Unless the Court orders otherwise, if you do not timely submit a valid Proof of Claim, you will be barred from receiving any payments from the Net Settlement Fund, but will, in all other respects, be bound by the provisions of the Stipulation and the Judgment.

X. DISMISSAL AND RELEASES

If the proposed settlement is approved, the Court will enter a Final Judgment and Order of Dismissal with Prejudice ("Judgment"). The Judgment will dismiss the Released Claims with prejudice as to all Defendants. The Judgment will provide that all Class Members shall be deemed to have released and forever discharged all Released Claims (to the extent Class Members have such claims) against all Released Persons and that the Released Persons shall be deemed to have released and discharged all Class Members and Plaintiff's Counsel from all claims arising out of the prosecution and settlement of the Litigation or the Released Claims.

XI. APPLICATION FOR FEES AND EXPENSES

At the Settlement Hearing, Plaintiff's Lead Counsel will apply to the Court for an award of attorneys' fees equal to 33-1/3% of the Settlement Fund, and reimbursement of costs and expenses, including costs of experts and consultants, not to exceed \$1.3 million, and reimbursement of reasonable costs and expenses, including lost wages, incurred by Trust Advisors, LLC relating to the Plaintiff's representation of the Class, to be paid from the Settlement Fund, plus interest.

XII. CONDITIONS FOR SETTLEMENT

The settlement is conditioned upon the occurrence of certain events described in the Stipulation. Those events include, among other things: (1) entry of the Judgment by the Court, as provided for in the Stipulation; and (2) expiration of the time to appeal from or alter or amend the Judgment. If, for any reason, any one of the conditions described in the Stipulation is not met, the Stipulation might be terminated and, if terminated, will become null and void, and the parties to the Stipulation will be restored to their respective positions as of September 9, 2005.

XIII. THE RIGHT TO BE HEARD AT THE HEARING

Any Class Member who objects to any aspect of the settlement, the Plan of Allocation, or the application for attorneys' fees and expenses, may appear and be heard at the Settlement Hearing. Any such Person must submit a written notice of objection, received on or before November 29, 2005, by each of the following:

CLERK OF THE COURT
United States District Court
Middle District of Florida
300 North Hogan Street
Jacksonville, Florida 32202

ABBEY GARDY, LLP
James S. Notis
212 East 39th Street
New York, New York 10016

- and -

SCHATZ & NOBEL, P.C.
Andrew M. Schatz
One Corporate Square Center
20 Church Street, Suite 1700
Hartford, Connecticut 06103

Plaintiff's Lead Counsel

- and -

SEYFARTH SHAW, LLP
William L. Prickett
World Trade Center East
Two Seaport Lane, Suite 300
Boston, Massachusetts 02210

Counsel for Defendants

The notice of objection must demonstrate the objecting Person's membership in the Class, including the number of PSS shares owned as of the close of business on March 26, 1998, and contain a statement of the reasons for objection. Only Class Members who have submitted written notices of objection in this manner will be entitled to be heard at the Settlement Hearing, unless the Court orders otherwise.

XIV. SPECIAL NOTICE TO NOMINEES

If you hold or held any PSS common stock owned as of March 26, 1998 as nominee for a beneficial owner, then, within ten (10) business days after you receive this Notice, you must either: (1) send a copy of this Notice and the Proof of Claim by first class mail to all such Persons; or (2) provide a list of the names and addresses of such Persons, preferably on computer-generated mailing labels or, electronically, in MS Word or WordPerfect files (label size Avery # 5162), or in an MS Excel data table setting forth (a) title/registration, (b) street address, and (c) city/state/zip, addressed to the Claims Administrator as follows:

PSS World Medical, Inc. Securities Litigation Claims Administrator
c/o FRG Information Systems Corp.
P.O. Box 4059, Grand Central Station
New York, New York 10163
Tel: 800-556-9955
Fax: 212-490-5709
E-mail: claimsadministrator@frginfosys.com
Website: <http://www.frginfosys.com/pss>

If you choose to mail the Notice and Proof of Claim yourself, you may obtain from the Claims Administrator (without cost to you) as many additional copies of these documents as you will need to complete the mailing.

Regardless of whether you choose to complete the mailing yourself or elect to have the mailing performed for you, you may obtain reimbursement for, or advancement of, reasonable administrative costs actually incurred or expected to be incurred in connection with forwarding the Notice and Proof of Claim and which would not have been incurred but for the obligation to forward the Notice and Proof of Claim, upon submission of appropriate documentation to the Claims Administrator.

XV. EXAMINATION OF PAPER

This Notice is a summary and does not describe all of the details of the Stipulation. For full details of the matters discussed in this Notice, you may review the Stipulation filed with the Court, which may be inspected at the office of the Clerk of the Court, United States Courthouse, Middle District of Florida, 300 North Hogan Street, Jacksonville, FL 32202, during its normal business hours.

If you have any questions about the settlement of the Litigation, you may contact Plaintiff's Lead Counsel by writing:

ABBEY GARDY, LLP
James S. Notis
212 East 39th Street
New York, New York 10016

SCHATZ & NOBEL, P.C.
Andrew M. Schatz
One Corporate Square Center
20 Church Street, Suite 1700
Hartford, Connecticut 06103

PLEASE DO NOT CONTACT THE COURT OR THE CLERK'S OFFICE REGARDING THIS NOTICE. If you have any questions about the settlement, you may contact Plaintiff's Lead Counsel at the address listed above.

DATED: October 19, 2005

BY ORDER OF THE COURT
UNITED STATES DISTRICT COURT
MIDDLE DISTRICT OF FLORIDA